POPULATION TRENDS AND PUBLIC POLICY

Asian Americans: America's Fastest Growing Minority Group

by William P. O'Hare
and Judy C. Felt

PRB

Asian Americans: America's Fastest Growing Minority Group is the nineteenth in a series of occasional papers, *Population Trends and Public Policy*, published by the Population Reference Bureau, Inc. This series is devoted to a discussion of demographic issues of concern to policymakers. See inside back cover for recent titles.

William P. O'Hare is Director of Population and Policy Analysis, Urban Research Institute, University of Louisville.

Judy C. Felt is a Research Demographer at the Population Reference Bureau, Inc.

Research assistance was provided by Nancy Wemmerus, Intern, Population Reference Bureau, Inc. The authors would also like to thank Robert Gardner and Bryant Robey of the East-West Population Institute at the University of Hawaii, Juanita Tamayo Lott of Tamayo Lott Associates, and Roderick Harrison, Claudette Bennett and Nampeo McKenney of the U.S. Bureau of the Census for their review and comments on the manuscript. Special thanks to James Joslin at the Immigration and Naturalization Service for providing data.

Funding for this publication was provided by a grant from the Alfred P. Sloan Foundation.

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Population Trends and Public Policy
February 1991
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Editors: Nancy Johnson and Susan Kalish
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Graphic Artist: Julie Schieber

Asian Americans: America's Fastest Growing Minority Group

Summary

Asians and Pacific Islanders were the fastest growing minority group in the United States during the 1980s. Their numbers grew by 80 percent between 1980 and 1989, increasing from 3.8 million to 6.9 million. While the Asian and Pacific-Islander population numerically trails behind the Hispanic and black populations, this small but growing segment of U.S. society is a highly diverse and increasingly influential part of American life. What is more, changes in U.S. immigration laws and the increasing number of immigrants from Southeast Asia are likely to add to the diversity and growth of the Asian and Pacific-Island population.

Until now, detailed information on this population group was available only from decennial census records. Much of our knowledge on the Asian-American population, therefore, was based on 1980 Census data. But in 1989, the U.S. Bureau of the Census began to identify Asians and Pacific Islanders as a separate group in the Supplement of the March Current Population Survey (CPS), a large-scale national survey of approximately 55,000 households. This new source of data provides researchers and policymakers with a more complete and up-to-date picture of the Asian and Pacific-Island community.

This report documents the changes experienced by America's Asian and Pacific-Islander population during the 1980s and relies extensively on data from the March 1990 CPS. It examines fundamental changes in the basic demographic characteristics of Asians and Pacific Islanders and assesses socioeconomic trends in education, income, poverty, and labor-force participation. The study finds that the socioeconomic status of Asians and Pacific Islanders is best characterized as one of contrasts and diversity. A large segment of the Asian and Pacific-Island community has achieved a higher education level and somewhat higher family income than non-Hispanic whites. On the other hand, poverty rates for Asians and Pacific Islanders are nearly twice those of non-Hispanic whites. Furthermore, among people at the same education level, Asians and Pacific Islanders have lower incomes than non-Hispanic whites, suggesting that this "model minority" may still face discrimination in the workplace.

Asian Americans: America's Fastest Growing Minority Group

by William P. O'Hare and Judy C. Felt

Between 1980 and 1989 Asians and Pacific Islanders grew at a faster rate than any other minority population. Spurred by the immigration of more than 2.4 million people during the 1980s, Asian Americans† increased from 3.8 million to an estimated 6.9 million between 1980 and 1989. The 1990 Census is likely to show that this group nearly doubled in size during the 1980s. By 1989, Asian Americans comprised 2.8 percent of the U.S. population.

†In this report, the term Asian American will be used to refer to both Asians and Pacific Islanders. It identifies people who have origins in the following countries: China, Mongolia, Pakistan, Sri Lanka, Maldives, India, Nepal, Bhutan, Bangladesh, Burma, Laos, Thailand, Vietnam, Cambodia, North Korea, South Korea, Japan, Hong Kong, Macau, Taiwan, Philippines, Malaysia, Singapore, Indonesia, and the island groups that form Melanesia, Micronesia, and Polynesia.

Table 1
Asians and Pacific Islanders by ancestry (1980) and immigration flows by country of origin (1980 to 1989)

Ancestry or Country of Origin	Population 1980		Immigration* 1980 to 1989	
	Number	Percent	Number	Percent
China**	812,178	22	433,031	15
Philippines	781,894	21	473,831	17
Japan	716,331	19	41,739	1
India	387,223	10	253,781	9
Korea	357,393	10	338,891	12
Vietnam	245,025	7	679,378	24
Samoa/Tonga/Guam	76,441	2	6,214	—
Laos***	52,887	1	256,727	9
Thailand	45,279	1	59,638	2
Cambodia	16,044	—	210,724	7
Pakistan	15,792	—	55,900	2
Other	219,953	6	55,485	2
Total	3,726,440	100	2,865,339	100

Note: a dash (—) represents less than 0.5 percent.

*Includes refugees.
**Includes Taiwan, Hong Kong, and Macau.
***Includes Hmong.

Source: Reference 1

Box 1. Asian Americans in the March 1990 Current Population Survey

The March 1990 Current Population Survey (CPS) was a nationally representative survey of approximately 54,000 households conducted by the U.S. Census Bureau to provide basic social, economic, and demographic information about the U.S. population. While academic researchers and public policymakers make extensive use of the CPS, like all surveys, it is subject to certain types of errors and limitations.

The March 1989 survey was the first CPS to identify Asians and Pacific Islanders in the data released to the research community. Consequently, there is no track record with which to assess the accuracy and reliability of this data source. The number of Asians and Pacific Islanders in the March 1990 CPS (4,316) is sufficiently large for many types of analyses, but too small for analysis of Asian Americans in specific geographic locations.

The March 1990 CPS estimates the national total of the Asian and Pacific-Islander population to be 6.6 million—somewhat lower than an independent population estimate of 6.9 million for July 1, 1989, also published by the Census Bureau. The independent estimate is derived from administrative data and assumptions about births, deaths, and immigration, while the CPS estimate is derived directly from interviews. Part of the difference between the CPS and the independent estimate may come from the manner in which the data are collected—that is, administrative records versus personal interviews. Another reason may be that the CPS figure excludes persons living in group quarters from its total.

Unlike the data for other minority groups, the CPS does not incorporate a control total to insure that figures for Asians and Pacific Islanders match the Census Bureau's independent population estimate. To date, the Census Bureau has not been able to reconcile the difference between their two estimates of the Asian-American population. Despite the discrepancy, however, the 1990 CPS still constitutes the best source of information on the socioeconomic and demographic characteristics of Asian Americans since the 1980 Census.

Popular images of Asian Americans portray this population group as a "model minority." Asian Americans are generally pictured as well-educated professionals or hard-working small business people. They are perceived to be relatively immune from the economic and social problems that beset other minority groups, such as poverty, racial discrimination, high unemployment, high crime rates, or unstable families.

But what do we really know about Asian Americans? While anecdotal evidence abounds, most of our information about this rapidly growing segment of the population has come from the decade-old 1980 Census. In 1989, however, the Census Bureau first began to identify Asians and Pacific Islanders in the data released from its March Supplement of the Current Population Survey (CPS). This report uses data from the March 1990 CPS to explore the current characteristics of the Asian-American population and changes in this group since the 1980 Census. The computerized file of this survey contains information on 4,316 Asian Americans. Despite a few minor problems (see Box 1), the CPS provides the best data available for examining recent changes in the Asian-American population.

Who Are Asian Americans?

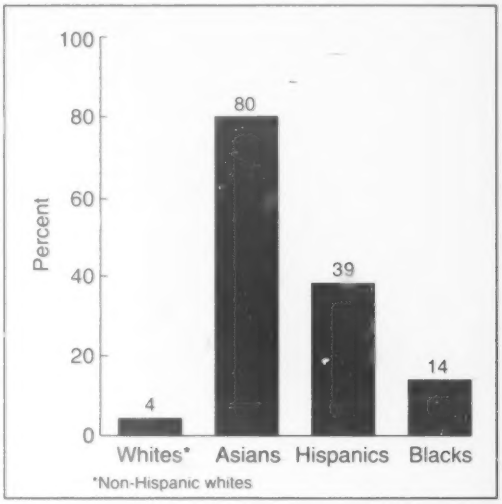
Although this study discusses Asian Americans as a group, it is important to recognize that this population may be the most diverse of America's major minority groups. Some segments of the Asian-American population have been in the United States for many generations, while others have arrived only recently. They come from more than two dozen different countries. They do not share a common language, a common religion, or a common cultural background. While a large segment of this population is financially well-off, many are poor.

Table 1 shows the distribution of the Asian-American population by ancestry and country of origin. The table shows the size of the major subgroups in 1980 and the amount of immigration

from Asian source countries between 1980 and 1989. More than 80 percent of all Asian Americans in the country in 1980 could trace their roots to one of five countries: China, the Philippines, Japan, India, and Korea. These five countries, however, accounted for just over half (54 percent) of all Asian immigrants between 1980 and 1989. In contrast, Vietnam, Cambodia, and Laos, which accounted for only 8 percent of the 1980 Asian-American population, accounted for 40 percent of Asian immigration between 1980 and 1989. Immigration, therefore, has been changing the composition of America's Asian and Pacific-Islander population.

Combining all of the Asian-American subgroups together into one analysis masks many of the important differences between groups, but the CPS does not permit analysis of individual subgroups of Asian Americans by national origin or immigration status. Furthermore, it is impossible to separate Asians from Pacific Islanders using the CPS data. In 1980, Pacific Islanders accounted for 7 percent of the Asian and Pacific-Islander population, but they are an unique subset because many of them (Hawaiians, Samoans, and Guamanians, for example) are born with U.S. citizenship. Given these constraints, we will use the term Asian American throughout this paper to refer to all individuals whose race or ethnicity is Asian or Pacific Islander.

Figure 1
Population growth for whites, Asian Americans, and other minorities, 1980-1989



Source: Reference 2

Immigration Drives Population Growth

While the number of Asian Americans added to the U.S. population between 1980 and 1989 (3.1 million) is not as large as the number of African Americans added (3.9 million) or the number of Latinos added (5.7 million), the rate of growth among Asian Americans far surpassed other groups. During the 1980s, Asian Americans grew by 80 percent, which is about 20 times the rate of non-Hispanic whites (see Figure 1). Their rate of growth was six times higher than that of blacks and twice as high as that of Hispanics.

The rapid growth of the Asian-American population during the 1980s continued a trend that started in the 1960s when the Asian-American population increased by more than 55 percent. During the 1970s, it grew by an astonishing 141 percent. The primary cause of this continual growth has been the high level of immigration among Asians and Pacific Islanders. During the 1980s, nearly three-quarters of the increase in the Asian-American community can be attributed to immigration flows.

Immigration from Asia and the Pacific Islands has been increasing steadily over the past four decades. The average yearly immigration from this area during the 1950s was only 13,300 (see Figure 2). This figure rose to about 31,900 in the 1960s, and to 134,100 during the 1970s. Between 1981 and 1989, it increased to 268,500.

This phenomenal growth is likely to continue during the 1990s for several reasons. First, current immigration policy emphasizes family reunification. The growing number of Asian Americans currently in the U.S. means that there will be more individuals in Asian countries who will be eligible to apply for entry under the family reunification provision. Second, enactment of immigration legislation in 1990 increased the total number of immigrants who will be allowed to enter the United States each year, thus enabling a greater number of Asians to gain admission. And third, preference given to individuals who have work skills needed by American businesses should also promote immigration from Asia.

In 1980, 59 percent of all Asian Americans in the United States were foreign-born. More than a

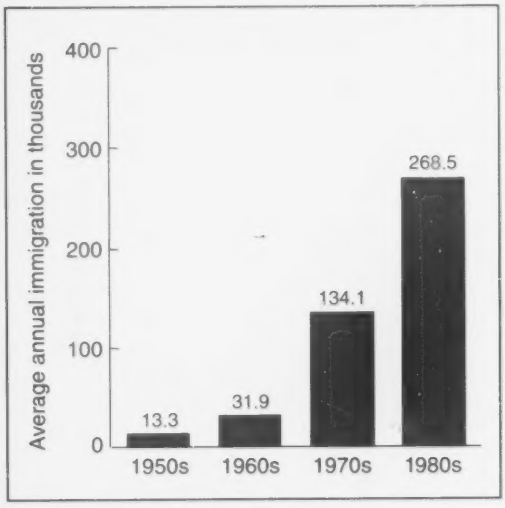
quarter (26 percent) of Asian adults counted in the 1980 Census had arrived since 1975. However, the foreign-born component of Asian-American subgroups varied considerably. Among Koreans in 1980, 82 percent were foreign-born, compared with only 28 percent of Japanese.

Immigration from Asia and the Pacific Islands in the 1980s can be divided into two streams. One stream of immigrants came from Asian countries that already had large numbers of people in the United States (for example, China, Korea, and the Philippines). The major impetus behind this stream was family reunification and migration based on kinship ties and established social networks. Many of the people in this stream were highly educated and entered the country under employment provisions of the immigration laws.[1]

The second stream was composed of large numbers of immigrants and refugees from some of the war-torn countries of Southeast Asia (Vietnam, Laos, and Cambodia), who arrived in the United States as a result of U.S. policies following the end of the Vietnam War and unstable political and economic conditions in their home countries. Between April 1975 and September 1984, a total of 711,000 refugees from Laos, Vietnam, and Cambodia arrived in the United States.[2]

These two migration streams reflect both changes in U.S. immigration policies after 1965 and changing social, economic, and political conditions around the world. Prior to 1965, U.S. immigration laws were based on a national origins quota system that greatly limited immigration from Asian countries. After 1965, new laws were passed giving preference to family members of persons already in the United States and to workers with skills needed by U.S. employers. These reforms helped open the door to many Asians who previously had been denied admission. Between 1951 and 1960, Asians accounted for only 6 percent of all immigrants to the United States, but between 1981 and 1989 they made-up 42 percent (see Figure 3, page 6).

Figure 2
Immigration from Asia and the Pacific Islands, 1950s to 1980s



Source: Reference 3

Where Asian Americans Live

Asian Americans are highly concentrated in the western region of the United States. In 1990, 58 percent lived in the West. By contrast, only 21 percent of the total U.S. population was located in this area of the country.

The geographic concentration of the Asian-American population is also reflected in the fact that in 1990 more than two-thirds (67 percent) of all Asian Americans lived in just five states. California, with 40 percent, remained the state with the biggest share, up from 35 percent in 1980. Hawaii, which historically has had a large Asian-American population, ranked second with 11 percent, down from 16 percent in 1980. New York, Illinois, and New Jersey rounded out the top five.

Since 1982, the U.S. Immigration and Naturalization Service (INS) has recorded the intended state of residence of immigrants. These data show that the flow of Asian and Pacific-Island immigrants into the United States during the 1980s went primarily to states that already had large Asian-American populations. Of the 2 million Asian immigrants who entered the United States between 1982 and 1989, approximately 36 percent (704,000) indicated that their intended state of residence was California, about 11 percent (210,000) indicated New York, and about 5 percent (100,000) said they intended to live in either Texas or Illinois. The pattern of intended state of residence reflects the kinship and community links that typically guide new immigrants to an initial U.S. destination.

However, the data on intended state of resi-

dence may actually understate the degree of concentration that has taken place during the 1980s. Studies show that people often move following their initial entry into the country. This is especially true for refugees, who often do not remain where they are initially placed. Refugees are usually assigned a sponsor by various voluntary agencies under a grant from the U.S. Department of State, and efforts are made to disperse them around the country in order to minimize their impact on any specific community or state. But many new Asian immigrants later migrate to cities and states that contain a large number of people from their cultural and linguistic background. This movement is quite common and labeled "secondary migration" by demographers and government agencies.

The overwhelming majority of Asian Americans lives in metropolitan areas with about equal numbers living in central cities and suburbs. This pattern contrasts somewhat with non-Hispanic whites in metropolitan areas, where two-thirds live in suburbs. Very few Asian Americans live in rural areas. In 1990, only 6 percent lived outside of metropolitan areas, compared with 25 percent of non-Hispanic whites.

Most Asian Americans are concentrated in a relatively small number of metropolitan areas. Nearly half (47 percent) of all Asian Americans in the country in 1980 lived in one of six metropolitan areas: Honolulu (463,100), Los Angeles-Long Beach (456,700), San Francisco-Oakland (335,700), New York (287,500), Chicago (150,800), and San Jose (101,900).

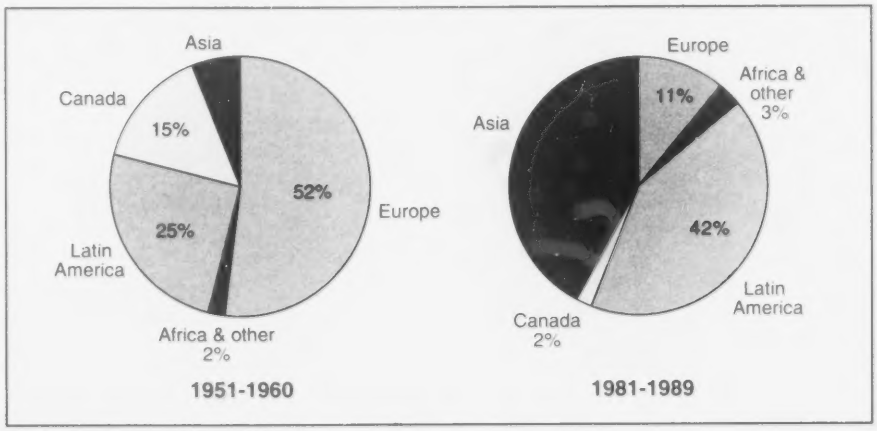
Data from the INS on intended destination of immigrants show that 49 percent of Asian immigrants who arrived between 1984 and 1989 planned to settle in one of the top 10 metropolitan areas in terms of Asian population.

Some metropolitan areas have experienced extremely rapid Asian-American population growth. For example, the Center for Continuing Study of the California Economy[3] estimates that Asian Americans in the Los Angeles metropolitan area have increased three-fold during the 1980s, and now number more than 1.4 million.

The Socioeconomic Status of Asian Americans

Evidence regarding the socioeconomic status of Asian Americans during the 1980s gives a mixed picture of achievement. Despite the fact that a large segment of Asians in the United States are new immigrants, historically a low-income group, the average family income of Asian Americans has remained slightly higher than that of non-Hispanic whites. On the other hand, the poverty rate of

Figure 3
Source of U.S. immigrants, 1950s and 1980s



Source: Reference 4

Asian Americans are concentrated in a relatively small number of metropolitan areas.

Asian Americans has increased during the decade and is nearly twice that of non-Hispanic whites.

Several theories have been offered to explain Asian-American income trends in the 1980s. One theory suggests that a process of economic polarization, which characterized U.S. income patterns in general during the past decade, is occurring in the Asian community as well: a case of the rich get richer and the poor get poorer. In addition, conventional immigration theory suggests that, upon arrival in the United States, new immigrants often swell the ranks of the poor, but more established immigrants and their offspring begin to move up the socioeconomic ladder. The flood of new Asian immigrants during the 1980s may have increased the poverty rate, but many of the second- and third-generation Asian immigrants may be moving into the middle and upper-middle class. Indeed, both processes may be working at the same time.

Furthermore, recent immigration patterns have brought two very distinct groups of Asians to the United States. One group is educated and ready to move into the mainstream quickly, but the other lacks the necessary education and skills to move out of poverty. This split may be fostering economic polarization within the growing Asian-American community.

Asian-American Income

The family income of Asian Americans is on a par with—even slightly above—that of non-Hispanic whites. In 1989, the median income of Asian-American families[4] was $35,900—3 percent higher than that of non-Hispanic white families ($35,000). A decade earlier, in 1979, the difference was greater—almost 9 percent above non-Hispanic whites.[5] In 1989, well over one-third (39 percent) of all Asian Americans lived in households that had incomes of $50,000 or more, compared to only 32 percent of non-Hispanic whites.

This picture of relative economic well-being contrasts sharply with the situation of most other minority groups in the United States. In 1989, the median income for black families was $20,200; for Hispanic families it was $23,400.[6]

The high income level of Asian Americans may be related to their concentration in areas such as Los Angeles, San Francisco, and Honolulu, where salaries are high. To the extent that Asian Americans are concentrated in high cost-of-living areas, their family income may provide a misleading picture of their economic well-being.

There may be another reason why the Asian-American population is not as well-off as their high family income would indicate. Asian Americans tend to have larger-than-average families. When we take family size into account by measuring per-capita income, Asian Americans have lower, not higher, incomes than non-Hispanic whites. The per-capita income of the Asian population in 1989 was $14,000, compared with $14,900 for whites.

Moreover, the overall statistics mask important income differences among Asian subgroups. The 1980 Census found that the median family income of Chinese Americans ($22,600 in 1979 dollars) was four times that of Laotians ($5,200). Another study that focused on the earnings of foreign-born males confirmed this picture of economic disparity.[7] The earnings of some Asian immigrant groups (Japanese and Taiwanese, for example) were among the highest of the foreign-born groups studied, but the earnings of Laotian male immigrants were the lowest. The earnings for Vietnamese male immigrants were 88th out of the 93 groups studied.

Education

Much public attention has been given to the academic accomplishments of Asian-American students, some of whom have only been in the country a short time and only recently mastered

English. Most Asian cultures place a heavy emphasis on education and hard work, and young people are expected to pursue educational opportunities.[8]

In 1990, 80 percent of the adult Asian-American population (ages 25 and older) had finished high school—about the same as the 81 percent figure recorded for non-Hispanic whites. However, at the university level, Asian-American educational attainment is quite striking. In 1990, 40 percent of Asian Americans age 25 and over had at least four years of college, nearly double the figure for non-Hispanic whites (23 percent). For those age 40 and older, 35 percent had four or more years of college, compared with 20 percent of the non-Hispanic white population. The high level of college graduates in the 40-plus age group is particularly important because these are the peak earning years and a time when education has its biggest impact on earnings.

The selective migration of better-educated people from Asian countries, the "brain drain," may also help explain the high level of educational attainment among a large percentage of adults and, in turn, their children.

Although the overall educational level of Asian Americans is high, statistics also reveal a large number of Asian Americans who lack extensive educational training. Data from the 1990 CPS show that 20 percent of Asian Americans age 25 and over have less than a high school degree. This figure is about the same as the 19 percent of non-Hispanic whites who have not completed high school, but it contrasts sharply with the public image of Asian Americans as highly successful educational achievers.

Economic Returns on Educational Investment

Earlier we saw that Asian-American families averaged slightly higher incomes than non-Hispanic whites. Among people at the same educational level and age, however, Asian Americans actually earn less than non-Hispanic whites, according to data from the 1990 CPS. Among young workers (ages 16 to 39) with just a high school education, the median income of Asian Americans was $8,500—considerably lower than the $12,800 median figure for non-Hispanic whites. Among young college graduates, the median income of Asian Americans was $23,000, compared with $25,200 for non-Hispanic whites. In fact, in all age groups and at all educational levels, non-Hispanic white males earned more money than Asian males with the same age and educational characteristics.

Although a high proportion of Asian Americans earn advanced degrees, about 20 percent have not completed high school.

Asian-American and non-Hispanic white women followed the same general pattern, but the differences were not as great as those between males.

Looking only at people age 25 to 64 who were in the labor force, data from the 1990 CPS indicate that the average earnings of Asian Americans increased $2,300 for each additional year of school completed, while non-Hispanic whites gained almost $3,000. Interestingly, Asian Americans are completing more years of school than non-Hispanic whites even though their economic return for each year of additional schooling is 21 percent lower. The lower return per year of education may reflect lingering discrimination against Asian-American workers.

Income and Family Structure

The high family income of Asian Americans is also related to their relatively large families. According to data from the March 1990 CPS, the mean number of workers in Asian-American families was 1.79, but in non-Hispanic white families it was 1.65. Eighteen percent of Asian-American families have three or more workers compared with only 14 percent of non-Hispanic white families. In addition, anecdotal evidence suggests that some Asian Americans who work in family-owned businesses may not be included in these numbers.

The relatively high number of workers in Asian-American families is related to their living arrangements. More than three-quarters (76 percent) live in married-couple families and only 5 percent live alone. By comparison, 73 percent of non-Hispanic whites are in married-couple households and 10 percent live alone. White women, in particular, are twice as likely as Asian women to live alone.

What is more, Asian families are more than twice as likely as non-Hispanic white families to double up in households—that is, to live in an extended family (or what the Census Bureau calls a "related subfamily"). The probability of a parent and a grown child living together is five times higher in the Asian-American population than in the total population, and the probability of an adult living with a brother or sister is three times higher in the Asian-American community than in the non-Hispanic white population.

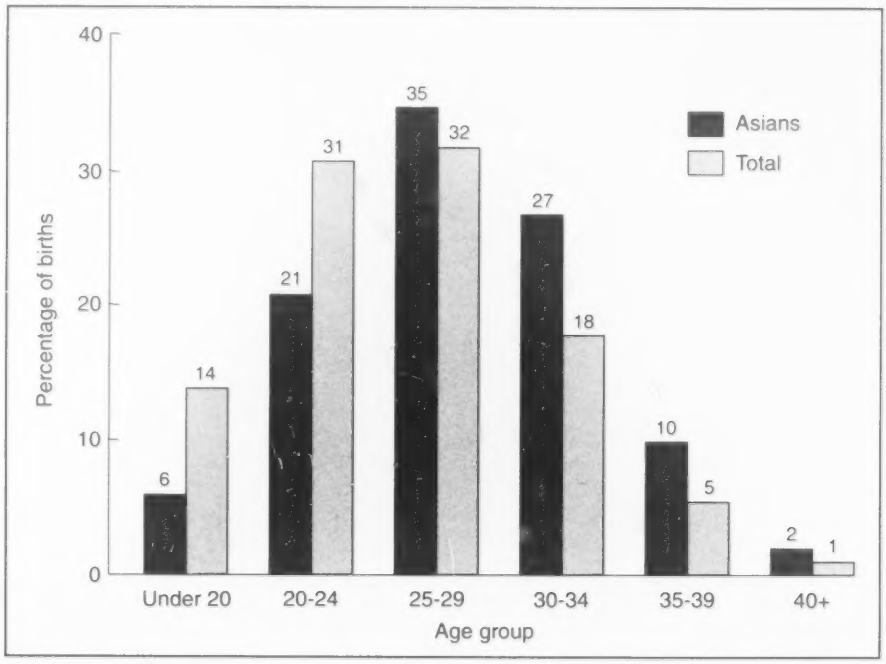
Asian-American families are more likely than non-Hispanic white families to have children living at home. More than three out of five (62 percent) Asian Americans live in households with children under 15, while less than half (46 percent) of the non-Hispanic white population live in such households. The likelihood that a child (below age 15) will be living with both parents is slightly higher for Asian children (84 percent) than for non-Hispanic white children (82 percent). Most Asian children grow up with the benefits of a two-parent family.

Marriage and childbearing patterns help shape the economic status of many Asian Americans. Asians tend to marry later and experience less marital disruption than average. In 1990, only 36 percent of Asian Americans age 20 to 29 were married, compared with 42 percent of non-Hispanic whites. Among those age 30 to 44, whites are almost twice as likely as Asian Americans to be divorced or separated.

Postponement of childbearing also contributes to economic well-being. Having a child while still a teen tends to curtail educational advancement and inhibit entry into the labor force. Postponing childbearing, on the other hand, often increases opportunities for higher education and leads to better-paying jobs.

Although teenage births are a major problem for many American subgroups, few Asian teenagers become parents. Asian women are less likely to give birth in their teens and early 20s and more likely to postpone childbearing until their 30s (see Figure 4). While 14 percent of all U.S. births[9] be-

Figure 4
Asian-American births by age of mother, 1980-1988



Source: Reference 5

tween 1980 and 1988 occurred among teenagers, only 6 percent of Asian births occurred in this age group. On the other hand, one in three Asian births occurred to women in their 30s compared with one in four births nationwide.

As Asian Americans become more assimilated into the American mainstream, there is some concern that their traditional family patterns will succumb to American norms and that rates of separation, divorce, and early childbearing will rise within the Asian-American community. Also, the socialization of American-born children may cause friction with their foreign-born parents. The extent to which these are legitimate concerns will become more evident as the 1990s unfold.

Labor Force Participation

The overall labor force participation rates of Asian Americans and non-Hispanic whites in 1990 was virtually the same (66 percent). However, the overall similarity of the two rates masks differences between Asian and non-Hispanic white workers in two age groups: young adults and older workers at or near retirement age. Young Asian Americans are underrepresented in the work force, while older Asians are overrepresented.

Among young adults (ages 16 to 24), Asian Americans are less likely than non-Hispanic whites to be in the labor force, and more likely to be in school (see Figure 5). In 1990, two-thirds (66 percent) of Asian Americans in this age group were in school, compared with just over half (54 percent) of whites. About one-fourth of each group combined school with work, but young Asian Americans were much more likely to have school as their only activity.

At the older end of the age scale, it appears that Asians do not retire from the work force at the same rate as their non-Hispanic white counterparts. Among Asian Americans ages 55 to 64, 62 percent are in the labor force compared with only 57 percent of whites. For Asian Americans age 65 or older, the probability of working is also higher than for their non-Hispanic white counterparts (16 percent compared with 12 percent, respectively).

Older Asians may keep working because of the strong work ethic ingrained in Asian cultures or because of economic necessity. Nearly three-quarters of Asian Americans age 65 and older in 1980 were foreign-born. Depending on the time of immigration and work history in the United States, they may have minimal Social Security retirement benefits. Furthermore, depending on the circumstances of their immigration, they may have no access to wealth accumulated in their native land.

Asian-American families are twice as likely as non-Hispanic white families to have several generations living together.

While 92 percent of older non-Hispanic whites received Social Security payments in 1989, only 64 percent of older Asian Americans reported receiving Social Security income during that year. What is more, their average benefit was less. The mean amount of Social Security income Asian Americans received was $5,300 compared to $5,800 for their counterparts in the non-Hispanic white community. The personal income of Asian Americans age 65 or older also was lower—$13,300 in 1989 compared with $16,300 for older non-Hispanic whites. However, older Asian Americans tend to live in households with higher average incomes than their white counterparts. The mean income of households that include an older Asian American was $37,100 compared with $22,700 for households containing an older non-Hispanic white. This difference no doubt is due in part to the doubling up of households that is more common among Asian than non-Hispanic white families.

In the peak earning years (ages 35 to 64), the labor force participation rate of Asians and non-Hispanic whites was virtually the same—77 per-

cent. Among males in this age group, the labor force participation rate of Asians (89 percent) was only slightly above that of their non-Hispanic white counterparts (87 percent). Among women, the rates were identical at 67 percent.

Unemployment figures are about the same for Asian Americans and non-Hispanic whites. In the week preceding the March 1990 CPS, 3.5 percent of Asian Americans reported being unemployed, only slightly below that of non-Hispanic whites (4.2 percent). The low unemployment rate for Asian Americans may be related to their high educational attainment as well as to their concentration in metropolitan areas such as Los Angeles, San Francisco, and Seattle, where the local economies were performing well.

Occupation

By and large, the distribution of Asians by industry and occupation is similar to that of non-Hispanic whites. However, Asians are somewhat more likely than whites to work in manufacturing and trade and in managerial and professional positions, and less likely than whites to work in blue-collar occupations, such as mining and construction. Asian Americans also are unlikely to work in farming and fishing, which is undoubtedly tied to the greater urbanization of Asian Americans.

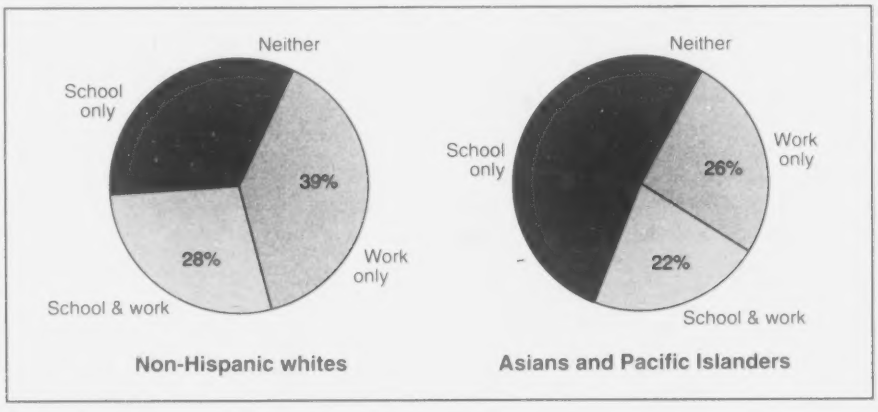
The data, however, do not support the popular notion that Asians are exceptionally successful small business people. In 1982, there were 55 Asian-owned businesses for every 1,000 Asians in the country,[10] substantially below the rate for whites of 76 per 1,000. While one might expect a higher business-ownership rate among Asian Americans given their high level of educational attainment, we must remember that a large segment of this population is comprised of recent immigrants.

Homeownership

Although home life is a major focal point of most Asian-American families, only 54 percent of the group owned their own home in 1990. In 1980, the figure was 52 percent. The homeownership rate for non-Hispanic whites was significantly higher at 74 percent in 1990.

The low homeownership rate of Asians is somewhat surprising given their high family-income levels. It may be related to the large number of Asian immigrants who arrived in the United States in the past decade or to the young age structure of this population group. Many Asian Americans may not have saved enough money yet to purchase a house. It also may reflect the concentration of Asian Americans in large cities, particularly on the

Figure 5
School and work activities of youth, ages 16 to 24, 1990



Source: Reference 6

West Coast, where housing prices are extremely high. If cost of living and housing prices are taken into account, the differences might narrow.

Since equity in a home is the major source of wealth for most Americans, the lower homeownership rate of Asians may indicate that they are not accumulating wealth at the same rate as their white counterparts. On the other hand, the homes owned by Asians tend to be much more valuable than those owned by whites. Data from the 1987 American Housing Survey[11] show a median housing value of $136,800 for Asian Americans compared with $69,300 for whites.

Residential Segregation and Intermarriage

Two additional demographic indicators reflect the extent to which Asian Americans are moving into the mainstream of U.S. society: the degree of residential segregation they experience and rates of intermarriage.

Measures of residential segregation calculated from the 1980 Census indicate that Asians experience much less segregation than African Americans and slightly less segregation than Latinos.[12] Furthermore, the segregation of Asians declined between 1970 and 1980.

The enormous influx of new Asian immigrants during the 1980s may alter these findings. Researchers have found some evidence that cities that experienced a heavy immigration of Latinos during the 1970s also had higher levels of Latino residential segregation in 1980 than in 1970.[13] A similar pattern may emerge for Asian Americans, but further research is needed to explore this issue. The 1990 Census will provide the detailed information needed to answer this question.

Another measure of Asian assimilation is the extent to which Asian Americans marry people of other races, particularly non-Hispanic whites. Data from the 1990 CPS indicate that 17 percent of married Asian Americans have a non-Asian spouse. About the same level of intermarriage is seen among Latinos. Among African Americans, the figure is 3 percent. The high rate of immigration among Asian Americans during the 1980s may have lowered the proportion of Asians who have interracial marriages because many recent immigrants probably experienced courtship and marriage in their home countries. As their children begin to marry, however, it will be interesting to see if the rate of interracial marriages rises or remains at current levels.

Poverty among Asian Americans

Poverty within the Asian-American community tends to be over-shadowed by high-income Asian Americans. Yet, a large segment of the Asian-American population lives in poverty. The poverty rate for Asians in the late 1980s (17 percent in 1988, and 14 percent in 1989) was roughly twice that of non-Hispanic whites (8 percent).[14]

Poverty rates for non-Hispanic whites and Asians have been moving in opposite directions during the 1980s. The poverty rate for non-Hispanic whites fell slightly from 8.9 percent in 1979 to 8.4 percent in 1989. During the same period, it increased from 13 percent to over 14 percent among Asian Americans.

Because of increasing rates of poverty and rapid population growth, Asians have become a much larger share of the poverty population. In 1979, Asians made up 1.7 percent of the poverty population; by 1989 they comprised 3.0 percent.

Contrary to popular wisdom, poor Asian Americans are more likely than non-Hispanic whites in poverty to participate in government welfare programs. Data from the 1990 CPS show that 59 percent of poor Asian Americans lived in households that participated in at least one of four major means-tested welfare programs (cash public assistance, Medicaid, Food Stamps, or Low-Income Energy Assistance). Among non-Hispanic whites in poverty, only 50 percent of the households participated in at least one of these four programs.

New immigrants often must learn English to compete in the U.S. job market.

One study of Southeast-Asian refugees arriving between 1978 and 1981 concluded that: "Virtually all Southeast-Asian refugees begin their American lives on welfare."[15] This evidence refutes the notion that Asians are reluctant to admit receiving government help,[16] that they lack knowledge of the U.S. welfare system, and that needy Asians rely on their strong family and kinship support networks instead of public assistance.[17]

A key reason for the growth of poverty among Asians is the large share of recent immigrants who, as a group, tend to have low incomes. Data from the 1980 Census show that 14 percent of foreign-born Asian-American adults (age 15 or older) were living in poverty, compared with 8 percent among the native born.[18] Poverty rates among the new immigrant groups from Southeast Asia were particularly high. In 1980, one-third of all Vietnamese immigrants, half of Cambodian immigrants, and two-thirds of Laotian immigrants were poor. When one recalls that 40 percent of all Asian immigrants between 1980 and 1989 came from one of these three countries, it is not surprising that poverty among the Asian-American community grew during the decade.

Policy Implications

Typically, as groups grow larger they attract more attention from business and government. As Asian Americans become an ever larger share of the U.S. population, more policymakers, business leaders, research scholars, and news media will be interested in obtaining up-to-date information about them. We are likely to see increasing calls from Asian-American members of Congress and other Asian leaders for more data gathering, more uniform definitions of the Asian-American population (see Box 2, pages 14-15), and more regular reporting on this group.

For example, this study relies heavily on data gathered in the March 1990 CPS. However, the relatively small sample of Asian Americans in the CPS reduces the reliability of statistics calculated from this data set and in some cases restricts the kinds of analyses that can be performed. For example, the CPS sample is too small to compare average income of Asian Americans by region, metropolitan status, marital status, and education simultaneously. A few years ago when Hispanics faced the same problem, the Census Bureau began to increase their sample size in the CPS. A policy to oversample Asian Americans in the CPS would provide additional information on this fast-growing minority group.

Policymakers will also have to grapple with the changing nature of America's minority population. The growth in the size of the Asian-American community is making America's minority population more diverse demographically and economically. While some segments of the minority population, including portions of the Asian community, suffer from poverty rates that are much higher than those of the non-Hispanic white population, other segments of the minority community have relatively high incomes. As the economic diversity of minorities expands, the implications of minority status will become more complex.

The current political climate suggests that during the next decade policymakers may be ready to reconsider affirmative action measures and other programs that were put into place during the civil rights movement of the 1960s. Any change in civil rights enforcement is likely to have an impact on all minorities, including Asian Americans.

In some cases, Asian Americans seem to be hampered by their success. It appears that some universities have set quotas limiting the number of Asian-American students they will admit.[19] This could become a divisive issue for minority groups. While some minority groups favor quotas or racial preferences as a way of making sure they have access to educational institutions, Asian Americans may find themselves resisting these measures because it limits their access to some colleges and universities.

The Immigration Reform and Control Act (IRCA) of 1986 may make it more difficult for Asian immigrants to find employment. A recent U.S. General Accounting Office (GAO) report found that employers practice discrimination in two forms: 1) not hiring job applicants whose appearance or accent lead them to suspect that they might be unauthorized aliens, or 2) applying IRCA's verification system only to persons who have a "foreign" appearance or accent.[20] Some employers used both practices. GAO found that levels of discrimination were higher in areas having high Hispanic and Asian populations.

In November 1990, the U.S. Congress passed major immigration reform legislation. Several provisions are likely to affect the growth of the U.S. Asian population. For example, the overall number of immigrants that will be allowed to enter each year will increase from 490,000 to 700,000 in the first three years. Some provisions are intended to increase the diversity of the immigrant stream, which is now heavily Asian and Latino, by allowing more immigrants from Europe and Africa. How-

Box 2. Defining the Asian-American Community

Three major government agencies supply statistical information on Asians and Pacific Islanders: the Census Bureau, the Immigration and Naturalization Service, and the National Center for Health Statistics. Each agency defines Asians and Pacific Islanders in slightly different ways.

The Census Bureau's definition, which has changed over time, currently describes an Asian or Pacific Islander as "a person having origins in any of the original peoples of the Far East, Southeast Asia, the Indian Subcontinent, or the Pacific Islands." It relies on a *self-identification* process to determine racial identity.

In the decennial census, for example, respondents are asked to select a racial identity for themselves and members of their household from a list offered by the Census Bureau—or they may specify some other race. This procedure eliminates the biases that could occur if an interviewer assigned a person to a racial or ethnic category. In the 1980 and 1990 Censuses, respondents were asked to select a racial identity for themselves and each member of their household from the list given below:

- White
- Black or Negro
- Japanese
- Chinese
- Filipino
- Korean
- Vietnamese
- Indian (American) print tribe:_____
- Asian Indian
- Hawaiian
- Guamanian
- Samoan
- Eskimo
- Aleut
- Other (please specify) _____

A separate census question asked respondents if they were of Spanish origin. Some individuals (mostly Filipinos) who identified themselves as part of the Asian population also identified themselves as Latinos. This study includes these individuals as Asian Americans.

Some people, such as those from mixed ancestry, find it difficult to selec. one of the categories offered by the Census Bureau. When a respondent indicates a mixed heritage, such as Asian/white, the Census Bureau considers the one written down first as preeminent. Persons listing themselves as "multiracial" or "mixed," are classified in the "other" race category.

The Census Bureau's 1989 and 1990 Current Population Survey (CPS) provided respondents with a more limited set of racial categories:

- White
- Black
- American Indian, Aleut, Eskimo
- Asian or Pacific Islander
- Other

The more abbreviated question about racial identity used in the CPS is not likely to affect the comparability of data between the Census and the CPS.

The Immigration and Naturalization Service (INS) also compiles statistics on Asians and Pacific Islanders as they enter the United States. It collects information on an individual's country of birth and country of last residence. The information is verified by an INS examiner during a face-to face inter-

ever, the law is not likely to reduce the number of immigrants from Asia because the mix will be achieved by adding new slots on top of previous slots. Furthermore, the legislation contains special provisions that will allow the United States to accept a greater number of immigrants who are leaving Hong Kong.

The new legislation still contains provisions for the immigration of immediate families of naturalized citizens and resident aliens. This will help continue the flow of Asian immigrants as earlier immigrants become naturalized U.S. citizens.

The new law also makes a significant policy shift by putting more emphasis on education and job skills in the immigrant mix. The number of persons admitted based on their skills and talents will in-

view. Some countries may send immigrants of more than one racial or ethnic group. For example, many ethnic Chinese reside in other Asian countries before immigrating to the United States.

The INS definition of Asia includes countries in East Asia, the Near East, and South Asia. This definition includes countries such as Iran, Iraq, Israel, and other Near Eastern nations, but it excludes Pacific Island nations. In order to make INS and Census Bureau data more comparable, this study compiled INS records for individual countries to match the Census Bureau definition of Asians and Pacific Islanders.

The National Center for Health Statistics identifies Asians and Pacific Islanders in its records on births and deaths. The race of a newborn child is taken from the child's birth certificate. Until 1989, the race of a child was determined by the racial characteristics of both parents—when both parents were known. If both parents were Asian or Pacific Islander, then the child was classified as Asian or Pacific Islander. But when the parents were of different races and one parent was white, the child was assigned to the other parent's race. When the parents were of different races and neither parent was white, the child was assigned the race of the father with one exception. If the mother was Hawaiian or part-Hawaiian, the child was considered Hawaiian. Starting in 1989, however, a child will always be assigned the race of the mother.

Death certificates also contain information on the race of the deceased. The information is supplied by the funeral director who asks an informant or, if no informant is available, bases the decision on observation.

crease three-fold. This policy shift will probably increase the flow of Asian immigrants. According to Immigration and Naturalization Service data collected between 1982 and 1989, 38 percent of immigrants from Asia and the Pacific Islands had professional or executive occupations, compared with only 17 percent of immigrants from other parts of the world.

Conclusion

The Asian-American population grew more rapidly than any other minority group during the 1980s and there is every reason to believe that it will continue to grow at high rates during the next decade.

While Asian Americans are often viewed as an economic success story, evidence presented here suggests that they still are not rewarded at a level one would expect given their educational attainment. Their economic prospects are paradoxical. While Asian Americans have slightly higher average family incomes than non-Hispanic whites, they also have much higher poverty rates. Given the large numbers of Asian Americans now in college and graduate/professional schools, the average income of this group should continue to rise during the 1990s. However, the prospects for some of the more recent immigrant groups from Southeast Asia who have less education are not as promising.

The economic success of Asians makes them likely targets of the frustrations of other minority groups as well as whites who fear the growing economic power of Pacific rim countries.[21] This dynamic may have been a factor in simmering tensions between Asians and blacks in New York, Washington, D.C., and other cities.

Asian Americans receive mixed and inconsistent treatment from the majority white society. On one hand, Asian Americans are lauded as a "model minority" that is fulfilling the American dream and confirming the image of America as a "melting pot." On the other hand, Asian Americans seem hampered by invisible barriers—a so-called glass ceiling—that keeps them from climbing to the top rungs of power.

As their numbers grow, the various Asian-American groups will gain a larger voice in the nation's economic, educational, and political systems. In the 1990s, Asian Americans are likely to become a much more visible and active minority group.

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ISBN 0736-7716